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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE) OAH: 2010071388
CALIFORNIA CORPORATIONS) File No.: 963-2227
COMMISSIONER,)
) ORDER REVOKING ESCROW AGENT’S
Complainant,) LICENSE (FINANCIAL CODE § 17608),
) BARRING BRENDA L. FIGLIOLI FROM
vs.) ESCROW INDUSTRY (FINANCIAL CODE
) § 17423), AND SUSPENDING ALICIA
EXCELLENCE TEAM ESCROW, INC.,) PIMENTEL FROM ESCROW INDUSTRY
BRENDA L. FIGLIOLI, AND ALICIA) (FINANCIAL CODE § 17423)
PIMENTEL,)
)
Respondents.)
)

The California Corporations Commissioner (“Commissioner”) finds that:

I.

INTRODUCTION

1. Respondent Excellence Team Escrow, Inc. (“ETE”) is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). ETE has its principal place of business located at 18008 Sky Park Circle, Suite 200, Irvine, CA 92614.

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2. Respondent Brenda Figlioli (“Figlioli”) is the only shareholder, president and director of ETE.

3. Respondent Alicia Pimentel (“Pimentel”) is an escrow officer. Pimentel was employed by ETE.

4. Pursuant to California Financial Code section 17406, all licensees under the California Escrow Law are required to file an annual audit report containing audited financial statements (“Audit Report”) within one hundred and five (105) days after the close of their fiscal year. ETE’s fiscal year end was March 31, 2008. Accordingly, ETE was required to file its Audit Report on or before July 15, 2008.

5. On February 4, 2008, the Commissioner notified ETE in writing that its 2008 Audit Report was due on July 15, 2008. ETE failed to file its 2008 Audit Report by the due date. On July 31, 2008, a follow up letter was sent to ETE concerning its failure to file its 2008 Audit Report.

6. On October 17, 2008, ETE filed its 2008 Audit Report, which was ninety-four (94) days late. As a result of the late filing, on December 17, 2008, the Commissioner filed and served his notice of intention to suspend ETE’s license. On January 5, 2009, the Commissioner received ETE’s Notice of Defense. On January 7, 2009, ETE withdrew its Notice of Defense and accepted the suspension of its license.

7. On January 8, 2009, pursuant to California Financial Code section 17608, the Commissioner issued an order suspending ETE for five (5) days as follows: Monday, February 9, 2009 through Friday, February 13, 2009 during which ETE was prohibited from accepting any new escrow business, but could continue to process existing and open escrows (“Suspension Order”), in accordance with California Financial Code section 17609. The Suspension Order defined “open escrow” as an escrow wherein the parties to such escrow have already entered into a binding agreement and monies and/or escrow instructions have been submitted to ETE regarding the transaction. ETE received the Suspension Order on January 12, 2009.

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II.**VIOLATION OF THE SUSPENSION ORDER AND UNLAWFUL ACTS**

8. On March 2, 2009, the Commissioner, by and through his examiner, conducted an examination of ETE's escrow business and requested that ETE provide its books and records used in its business. During the examination, ETE only produced an escrow log from its RBJ Software system ("RBJ") and its new accounts report. During the examination, ETE did not submit its escrow log from the Virtual Escrow Title Technology Solutions system ("VES"), which is an internet based escrow processing system that allows users to process escrow transactions online.

9. Thereafter, the Commissioner discovered that ETE was using both the RBJ escrow ledger and the VES system to record new escrows and conduct escrow transactions. Subsequent review of ETE's RBJ escrow ledger showed that a high number of new escrows were opened on February 17, 2009. The RBJ manual log showed that on February 17, 2009, which was immediately after the suspension period ended, ETE opened eleven new escrows. The Commissioner requested the escrow files for the eleven new escrows that were opened on February 17, 2009.

10. A review of the eleven escrow files produced by ETE revealed that each new escrow had two escrow numbers, one from the RBJ system and the other from the VES system. At least seven of the new escrows, which were logged in the RBJ system on February 17, 2009, were opened in the VES system during the suspension period, in violation of the Suspension Order. Respondent Pimentel was the escrow officer that managed all seven escrows.

11. Typically, an escrow agent provides the lender and the mortgage broker with escrow instructions ("Loan Escrow Instructions") outlining all the conditions that must occur before the transaction can be finalized. An escrow file contains a copy of the Loan Escrow Instructions. The Loan Escrow Instructions documents produced by ETE were dated after the suspension period ended. Subsequent review of the mortgage brokers' files showed that the same Loan Escrow Instructions, submitted by ETE to the mortgage brokers, were dated during the suspension period. The VES system and other documents, including, the open order sheet, and the preliminary report from the title company also showed that the new escrows were opened during the suspension period.

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12. A review of all the documents showed that ETE, Figlioli, and Pimentel (“Respondents”), in violation of the Commissioner’s Suspension Order, accepted at least seven new escrows during the suspension period and engaged in unlawful acts while handling these seven escrow transactions, including, but not limited to, omitting to provide the Commissioner with the correct copies of the Loan Escrow Instructions documents that contained the actual date that the escrows opened.

13. To impede the Commissioner’s determination that they had violated the Suspension Order and in violation of the California Financial Code sections 17414 and 17404, Respondents produced incorrect and falsified escrow records.

III.

APPLICABLE CALIFORNIA ESCROW LAW

Financial Code section 17404 provides:

Every person subject to this division shall keep and use in its business, books, accounts, and records which will properly enable the commissioner to determine whether the escrow functions performed by such person comply with the provisions of this division and with all rules made by the commissioner under this division.

Financial Code section 17414 provides in pertinent part:

- (a) It is a violation for any person subject to this division or any director, stockholder, trustee, officer, agent, or employee of any such person to do any of the following:
- (2) Knowingly or recklessly make or cause to be made any misstatement or omission to state a material fact, orally or in writing, in escrow books, accounts, files, reports, exhibits, statements, or any other document pertaining to an escrow or escrow affairs.

Financial Code section 17423 provides in pertinent part:

- (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, censure or suspend for a period not exceeding 12 months, or bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:
- (1) That the censure, suspension, or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

Financial Code section 17608 provides in pertinent part:

- The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:
- (b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

IV.**CONCLUSION**

The Commissioner finds that, by reason of the foregoing, Respondents have violated the Commissioner's Suspension Order, and violated California Financial Code sections 17414 and 17404, and it is in the best interest of the public to revoke the escrow agent's license of Excellence Team Escrow, Inc., to bar Brenda L. Figlioli from any position of employment, management or control of any escrow agent, and to suspend Alicia Pimentel from any position of employment, management or control of any escrow agent.

NOW GOOD CAUSE APPEARING THEREFORE, pursuant to California Financial Code section 17608, the escrow agent's license issued to Excellence Team Escrow, Inc. is hereby revoked. Further, pursuant to California Financial Code section 17423, Brenda L. Figlioli is barred from any position of employment, management or control of any escrow agent. Further, pursuant to California Financial Code section 17423, Alicia Pimentel is prohibited from any position of employment, management or control of any escrow agent for five (5) days from Monday, December 27, 2010 through Friday, December 31, 2010. This order is effective as of the date hereof.

Dated: December 21, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner